

ISSUE		FINDING	RECOMMENDATION	FY 2004-05	5 YEAR CUMULATIVE
Infrastructure Chapter					
INF 01	Use of Few Models for Project Delivery Results in Missed Opportunities for Lowering Cost and Speeding Delivery	Use of few models for project delivery results in missed opportunities for lowering cost and speeding delivery.	Legislation should be pursued that would authorize the use of different delivery methods including; Design-Build-Operate, and Public-Private Partnerships.	CBE	CBE
INF 02	Adopt Performance and Warranty Specifications to Improve the Quality of Highway Construction	New specifications for highway construction are not adopted in a timely fashion. Because of this, the state cannot take advantage of emerging trends or leverage best practices from other states.	Transition construction specifications to warranty, and performance based specifications. Revise the existing specification approval/adoption process to eliminate duplicate work, and provide a marketing strategy, performance measures and the ability to track performance.	\$0	\$28,000,000
INF 03	The State is Not Taking advantage of all Opportunities to Reduce the Cost of Construction Contracts	The cost of contractors providing their own insurance for large public works construction projects is not the most efficient and cost effective method for the state.	Pilot the use of Owner Controlled Insurance Programs and new performance bonding requirements. In addition, legislation should be pursued to authorize the establishment of a Builders Risk Insurance Program for the state's capital outlay projects.	\$16,500,000	\$104,500,000
INF 04	Performance Measures are Needed in Traffic Operations	Performance measures are needed in traffic operations to measure the state's progress toward achieving a mobile and reliable transportation system.	Increase priority for funding of Transportation Management System (TMS) Projects to expedite implementation of TMS projects and expand use of public-private partnerships for TMS activities. In addition, the state should implement other process improvements.	\$0	(\$550,000,000)
INF 05	Need for High-Occupancy/Toll Lanes to Reduce Traffic Congestion and Generate Revenue to Cover Project Costs	Need for high-occupancy/toll lanes to reduce traffic congestion and generate revenue to cover project costs.	Amend state law to authorize BTH to determine selection of high occupancy/toll lane projects and to fund toll bridge maintenance through toll revenues. Value pricing should also obey implemented at toll bridges under the Bay Area Transportation Authority.	CBE	CBE

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INF 06	High-performance and Building Design	Cost effective, high performance building design and operation standards are increasingly being adopted by the private sector, but only piecemeal by the state, even in the face of significant financial and environmental benefits.	Every future state building should be built to the standards of the US Green Building Council's LEEDS Silver rating or higher. The state should develop, high-performance building design practices for the construction of state buildings by July 1, 2005. The state should also develop a series of economic and environmental measurement protocols and issue an annual report detailing the activities associated with these recommendations.	\$0	(\$51,000,000)
INF 07	The State Needs to Restructure the Administration over the State Water Project	The State Water Project is critical to the state but impediments exist that limit efficiencies in operation.	The state should make administrative changes that would improve efficiencies in operation. These would include: establish the State Water Project as a separate authority; emphasize recruitment and retention of staff with specialized skills; and contract with State Water Contractors where feasible to ensure the SWP is operated and maintained in the best interests of the public and environment.	CBE	CBE
INF 08	CALFED Bay-Delta Program is Not Functioning Efficiently	CALFED Bay-Delta Program is not functioning efficiently. It is behind schedule and lacks performance measures and a long-term finance plan which could be used to prioritize implementation actions.	Perform an audit of CALFED / California Bay Delta Program to assess progress in meeting programmatic goals, and streamline the selection and funding of projects. In addition, a long term finance plan needs to be completed.	(\$300,000)	\$1,300,000
INF 09	California Needs Strong Water Policy	Conflicting policies exist in California's water programs among state agencies and boards, water agencies, environmental interests.	The California Water Plan concept should be updated and would require legislation to effect. The Plan should be integrated into a state general plan process. In addition, the Governor should work with the Legislature to promote regional water planning.	CBE	CBE

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INF 10	Reduce the State's Leasing Costs	State requirements for landlords on leases creates obstacles.	Through policy and statute changes the state can reduce its leasing costs by removing costly and time-consuming requirements, increasing lease terms to achieve lower overall rent costs, modifying the state's more rigid code requirements to be more consistent with local government codes, encouraging telecommuting, and employing performance standards to achieve maximum efficiencies in leased costs.	\$14,250,000	\$128,250,000
INF 11	Tapping Surplus Property Assets	Surplus property identification and sales do not capture full market value.	Through policy and statute changes, the state will improve the identification and selling of underused and surplus state properties. Studies to assess property use should be continuously funded and properties should be sold at fair market value.	\$47,200,000	\$379,400,000
INF 12	Improve Efficiency of Extra Enforcement Program in Highway Work Zones with Fewer Resources	Extra Enforcement Program in Highway Work Zones is provided by the California Highway Patrol (CHP). This may not be the most efficient and cost effective manner to provide protection to highway workers in construction zones.	Transfer funds and responsibilities for conducting work zone enforcement activities to CHP to run in the most efficient manner possible. This will also require legislation to amend the Vehicle Code to eliminate the requirement for a traffic and engineering survey if radar devices are used in a work zone, as long as warning signs are displayed.	\$0	\$22,400,000
INF 13	The State Owns Several Routes that it Should Relinquish to Local Agencies	The state owns several routes that it should relinquish to local agencies and eliminate the need for ongoing maintenance of these facilities.	The state should hold a series of public meetings regarding proposed relinquishments and submit a list to the Governor for consideration. Approximately 6,500 lane-miles of state highways could be relinquished to local agencies. Such relinquishment should be done in accordance with existing law and without providing funds for future costs.	\$0	\$432,000,000

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INF 14	Reduce Telecommunications Costs by Modifying Cost Monitoring and Auditing Processes	The state's telecommunications services may be more costly than necessary due to errors in billings. A system of tracking and auditing these expenses would assist in minimizing and/or eliminating these erroneous charges.	Hire a private recovery audit firm under a performance-based contract to audit, document and recover any overpayments on state government telecommunications costs.	\$3,825,000	\$24,225,000
INF 15	Revenues for Transportation Projects are Increasingly Inadequate to Fund Needed Improvements	Infrastructure funding is not keeping up with needs for building, maintaining and operating facilities and a toolbox of stable funding options is lacking.	Amend California constitution assuring taxes collected for transportation are used for transportation projects. Implement flexibility using funds for transportation and develop new fee collection method based on use of highways.	\$0	\$1,960,000,000
INF 16	Federal Funding for California Highways Falls Short	California taxpayers pay more taxes into the Federal Highway Trust Fund than they receive from the Federal Highway Administration for transportation projects. Congress reduces the amount of funds available for discretionary spending by earmarking them for specific projects.	Coordinate state and local efforts to get federal funds earmarked for priority projects. Pursue federal funds from Home Land Security for Life Line route improvements necessary following disasters.	CBE	CBE
INF 17	Integrate the State's Infrastructure Research and Development Programs	Infrastructure's research and development resources are segregated and unfocused, diluting the effectiveness of the results.	Consolidate infrastructure research and development (R&D) under one agency and office and develop a R&D strategic plan. Streamline and standardize administrative procedures. Partner with businesses and technology organizations to identify research concepts with commercial potential.	\$0	\$3,299,000

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ISSUE		FINDING	RECOMMENDATION	FY 2004-05	5 YEAR CUMULATIVE
INF 18	Consolidate and Coordinate State Infrastructure Planning and Programming	The state's infrastructure planning and funding decisions are made in a disjointed fashion, creating delay, increased cost and failure to deliver projects.	Consolidate infrastructure planning and programming under one agency. Streamline and standardize administrative procedures. Also, inventory all infrastructure facilities statewide, assess condition and determine need for funding. Such funding should be linked with performance-based management. The consolidated entity should provide a framework and incentives for local governments to engage in regional planning and comply with State General Plan.	\$0	\$2,324,000
INF 19	Better Management Needed for California's Real Estate Assets	Lack of entity responsible for strategic asset management across all state agencies results in the underutilization of the state's infrastructure assets.	Consolidate existing asset management functions into a single entity which should be allowed to enter into public-private partnerships, issue tax exempt bonds, secure private financing and conduct cost benefit analyses on the statewide property inventory. State agencies should be required to establish performance measures related to its real property assets and this data should be used to assess each department's progress.	CBE	CBE
INF 20	Deteriorating Highway Quality is Costly for Taxpayers	Focus on building new highways instead of maintaining existing highways has led to a decline in overall quality of California's highway system.	State highway projects should identify full life cycle costs to ensure project designs are chosen based on long-term benefit and cost implications. Highway systems should be assessed semi-annually on quality as a guide to prioritize funding. Additional funds can be gained by privatizing roadside rest stops, but would require changes to federal requirements. Other savings can be achieved by outsourcing maintenance functions and consolidating and/or seeking opportunities for sharing assets with other entities.	CBE	CBE

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INF 21	Supply of Affordable Multi-Family Housing is Inadequate	Supply of affordable multifamily housing is inadequate	The state should consolidate housing programs under one agency and streamline and standardize housing general plans. Certain fund diversions/redirections should occur to ensure continuous monies to local governments to build the necessary housing. Further, legislation should be pursued that requires redevelopment agencies to spend their 20% set-aside for affordable housing within three years of forfeit the money which would accrue for the purpose of a dedicated affordable housing fund managed by the state.	CBE	CBE
INF 22	Infrastructure Siting for Energy Facilities is Fractured and Inefficient	Infrastructure siting is fractured and inefficient and has led to delays in permitting new electric power plants, transmission facilities, oil refineries and other energy infrastructure.	Combine infrastructure siting authorities into one agency. Establish application fees equal to the cost of processing applications.	CBE	CBE
INF 23	Energy Conservation, Efficiency Have not Achieved Full Potential	Conservation, efficiency and renewable energy have not achieved their full potential.	Consolidate energy planning, policy development and implementation under one agency. Implement policies for load and peak load management, increased conservation and develop innovative financing methods, conservation and demand management projects.	CBE	CBE
INF 24	Transportation Hampered by Unhealthy Fuel Market	High costs of fuel is impeding Californians from conducting business and enjoying leisurely travel.	Establish an Energy Agency responsible for developing and implementing a comprehensible strategy assuring the availability of clean and affordable fuel. Research, grant applications and pilot projects should continue to support the development of emerging fuels and related technologies.	\$0	\$0

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ISSUE		FINDING	RECOMMENDATION	FY 2004-05	5 YEAR CUMULATIVE
INF 25	Consolidate the Ratepayer Advocacy and Public Participation Programs at the Public Utilities Commission to Eliminate Duplication	Consolidate the PUC Office of Ratepayer Advocates and Public Advisor Office.	Consolidate the Office of Ratepayer Advocates and the Public Advisor's Office to eliminate conflicts, duplication and effective costs.	\$0	CBE
INF 26	Building Standards Adoption Reform	The State's Building Standards approval process is a disjointed, highly political system that lacks adequate oversight from the Building Standards Commission.	Eliminate the Building Standards Division. Need legislation for criteria to adopt the State's Model Building Code.	\$0	\$0
INF 27	Shift Responsibility for Railroad Safety at Roadway Crossings to Caltrans	CPUC is Responsible for Railroad Safety Activities at Roadway Crossings that May Be Better Suited for the Department of Transportation.	Amend state law to shift responsibilities for at-grade rail crossing safety from the CPUC to Department of Transportation (Caltrans) staff and to eliminate CPUC's responsibilities for separated-grade crossings projects. Amend state law to stipulate that separated-grade projects will be implemented on a competitive basis within the State Transportation Improvement Plan and the State Highway Operation and Protection Program.	\$0	(\$303,000)
INF 28	Water, Parks, and Wildlife Bond Implementation is Inefficient	The administration of water and park bond funds is inefficient and wastes bond resources.	Centralize the policy and administration of the grant program aspects of the existing Proposition 50, 40, 13 and 12 programs into a single finance division and direct departments with technical expertise in the various areas that are named in the various bond initiatives to loan staff to the finance division to assist in setting criteria and reviewing proposals.	\$0	\$14,800,000

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INF 29	Flood Disaster Avoidance	The state is facing significant expenditures in the future to repair levees, handle flood emergencies and compensate flood victims.	The Department of Water Resources (DWR) should develop a comprehensive floodplain disaster avoidance program. This should include programs and incentives to reduce the amount of building in designated floodways and flood plains. The DWR should also expand the availability of web-based, flood risk mapping and display tools to allow current flood risk information to help guide land use planning.	\$0	\$48,000,000
INF 30	Release State Departments from the Real Estate Services Monopoly	Mandated real estate services cause missed opportunities in cost savings and better quality, and diffuses accountability.	Lift the Department of General Services monopoly of state real estate services by delegating authority to state agencies to choose their real estate service providers.	\$0	\$819,000,000
INF 31	One Stop Shop for School Facility Approval	The state's multi-billion dollar investment in local school buildings involves a cumbersome, duplicative and time consuming multi-agency approval process that delays project delivery while adding little value and leaving sections of the projects un-reviewed.	The state should provide leadership on school facility issues, providing training, technical assistance and advice to district staff and other school facility stakeholders. Further, the state should consolidate school-siting review and allocation functions, implement self-certification and training, and develop an online approval program.	CBE	CBE
INF 32	Management of California Department of Transportation's Project Delivery Needs to Improve	Management of California Department of Transportation's (Caltrans) project delivery needs to improve.	Caltrans needs to complete the implementation of project management and stabilize staff levels in project delivery.	CBE	CBE

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INF 33	Improve School Facility Standards	While the state is making multi-billion dollar investments in school facilities, it has no process to assess if the investment is providing the best value for taxpayers. Current facility standards are not ensuring the production of adequate buildings in the most cost effective manner and there is no process for the state to intervene if school districts do not maintain their facilities.	Schools should meet design standards equivalent to the Collaborative for High Performance Schools and Leadership in Energy and Environmental Design Standards. The state should develop a comprehensive list of K-12 school facility needs and legislation should be pursued to allow direct intervention by the state in those districts that consistently show an inability to maintain their facilities.	(\$1,000,000)	(\$2,952,000)
INF 34	Create a Mechanism for Flexible, Reliable School Facility Finance	The current school facility funding program does not allow districts the assurance of reliable funding to plan for and build quality facilities. The use of bond funds is not a steady and reliable financing alternative and is costly for the state due to high interest payments.	Study the cost and benefits of switching to an annual per student funding program.	CBE	CBE
INF 35	Early Integration of Infrastructure and Resource Planning Necessary	The lack of coordinated infrastructure planning leads to costs and delays.	State agencies should implement an interagency issue resolution process; implement a policy framework that allows infrastructure providers to collaborate with resource agencies early in the planning process to identify and commit to mitigation; streamline CEQA and other permitting processes to expedite project delivery; and work in partnership with local government to provide plans that include incentives for infrastructure projects and services for existing communities to support infill, compact and contiguous development.	CBE	CBE

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INF 36	Infrastructure is Necessary for Economic Development	Infrastructure is Necessary for Economic Development	An executive order should be prepared to consolidate planning. Programming and evaluation functions of infrastructure agencies should be consolidated into one organization. The appropriate state entities should identify and implement ways to improve environmental and permitting processes.	CBE	CBE
INF 37	Streamline the Environmental Review Process to Discourage Sprawl and Revitalize Older Developed Urban Areas	Many California urban centers have vacant and underutilized land surrounded by sprawling suburbs. Attempts to encourage revitalization of older, developed urban areas as an alternative to urban sprawl are thwarted by the state's environmental review process.	The Governor should work with the Legislature to amend the Public Resources Code to exempt from further environmental review infill and mixed-use development projects that are consistent with the local government's general plan and accompanying Master Report for older developed urban areas. Further, state agencies should support local infill development through state policies, plans and investments.	CBE	CBE
INF 38	Lengthy Hospital Construction Approvals are Impacting Patient Care	The current inventory of hospital retrofitting and building projects will take approximately two years to work through the state's building plan approval program.	The state should expedite its review of projects, and should establish a process to utilize independent plan reviewers to expedite review. Further, the state should undertake a business process review to develop a more time review process.	CBE	CBE

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